10 Tips To Help Improve Your Sales Process

As a general rule we tend to underestimate the difficulty in making sales for vertical market software applications. We also tend not to recognize many of the intangible aspects that come into play when customers consider purchasing technology products.

Consistent and predictable new sales are our lifeblood. The revenue these sales bring in allows continued product development and the ability to meet customers evolving needs. Regrettably many companies find it difficult to forecast future sales and the resulting feasts and famines cause financial and morale stress.

Following are 10 tips based on real world experience of successfully selling vertical market software applications for over 10 years.

1) **Customers Buy Pain Killers Not Vitamin Pills:** Customers tend to purchase products that meet a pressing need, generally one that causes their organization immediate pain. When they have a needle in their eye there is only one pressing matter at hand and that is making the pain go away. Whereas a seller of morphine or even pliers can expect a warm and immediate welcome, one selling Vitamin C is not likely to be as well regarded. Its not that there is anything wrong with Vitamin C, its just it's not an immediate priority. Find you customer's pain and position your product as a painkiller.

2) **Customers Buy Benefits Not Features:** Customers tend to buy benefits not features. To be sure sometimes a feature (such as using SQL as the database) can be a benefit (conformance with company architecture). However in most cases vendors tend to oversell features and not promote benefits as well as they might. Once you understand your customer's pain you need to identify clearly the way your product will ease their pain. Improving billing accuracy is usually more relevant than the number of invoices processed per second.

3) **Customers Buy From Those They Like And Trust:** Product features and benefits are important but most companies place a high weighting on the company itself aside from its product. Does the company have a customer centric philosophy? Is it financially sound and likely to be successful in the long-term? Relationships are very important and customers when putting mission critical functions in the hands of external suppliers tend to look very closely at the companies viability.

4) **Technology Enthusiasts:** In any market there are always a small number of technology enthusiasts. They are innovators, the first to have new products (like PDA's and mobile phones) and see technology as an enable of a competitive advantage. They focus on technology issues and often place more emphasis on these than mainstream customers. They often like to be involved with new products, tolerate bugs and make fantastic evangelists. They are true visionaries and often see their mainstream counterparts as pedestrian. Unfortunately they are not representative of the mainstream market, perhaps accounting for 1-5% of a market.

5) **Mainstream Markets:** The majority of customers are less adventurous than their technology enthusiast counterparts. They often see their technology enthusiast counterparts as dangerous. Mainstream customers are generally more concerned with financial stability than a technology advantage. Peer reference and recommendation are highly valued and lack of a strong local customer base is a major impediment to buying a new product. It's often a mistake to underestimate the degree of difficulty in getting a new product established in a new market. Its sobering to note it took cellular phones 24 years to reach 50% market penetration and 25 years for PC's.

6) **Distributors:** Most local developers look to use distributors to represent their products offshore. Anecdotally this approach is almost always unsuccessful. Like railway lines their interests start off parallel to the local developers. However they often diverge fairly quickly. Alternative distribution strategies, particularly those based around licensing models and partnering with established competitors are worth careful consideration.

7) **Competitors as Customers:** Well-established competitors in a marketplace are extraordinarily difficult to displace. Even when they have outdated product offerings their market reputation (highly valued by mainstream customers) gives them tremendous inertia in a market. Sun Tsu in the Art of War states to defeat an opponent with a frontal attack you need a three to one numerical advantage. This applies equally in business if not more. A well-established competitor with a dying product will almost always win with mainstream customers against an unknown newcomer with a dynamic product. This does not apply to technology enthusiasts but they represent such a small percentage of a market they are unlikely to sustain a company.

8) **Super Sales People:** Unfortunately and with due respect to Kevin Costner if you build it people will not come. Selling is a discipline that is more complex than most software companies recognise. To be sure the basic principles are generally well known but good sales people who deliver consistent and predictable results are a rare breed. In addition those who excel at selling sometimes are not focused on detail and may need careful management.

9) **Discipline In The Sales Process:** Most customers and prospects are inherently polite and will say kind things about a new product demonstrated to them. It is often an expensive mistake to interpret kindness as an intention to buy a new product. This often leads to a cycle where large numbers of demonstrations are undertaken and RFI/RFI's are completed for sales that look

promising but never eventuate. To avoid this unfortunate cycle it's important to qualify prospects carefully and on a step-by-step basis and follow a disciplined approach.

10) **Realistic Pricing Strategies:** It is rarely a mistake to price your product at a similar level to offshore competitors. Frequently New Zealand developers under-price their products and paradoxically this damages their perceived value in the marketplace. If there is a disconnect between the products positioning and pricing this is a strong negative to potential customers.